

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION**

In re:

VPR OPERATING, LLC, *et al.*;

Debtors.

§
§ **Chapter 11**
§
§ **Case No. 13-10599**
§
§ **Jointly Administered**
§

NOTICE OF DESIGNATION OF STALKING HORSE BIDDERS

PLEASE TAKE NOTICE that on July 23, 2013, the Court entered its *Order Approving (A) Sale Procedures, (B) the Form and Manner of Notice of (i) the Sale of Certain Assets and (ii) the Assumption and Assignment of Certain Executory Agreements and Granting Related Relief* (the “Sale Procedures Order,”¹ ECF No. 292). Among other things, the Sale Procedures Order authorized the Debtors, with the consent of the Committee and the DIP Lenders, to both: (i) designate one or more Stalking Horse Bidders for the purchase of the Debtors’ Assets; and (ii) provide a breakup fee to such Stalking Horse Bidders in an amount not to exceed three percent (3%) of the transaction consideration offered by such Stalking Horse Bidders.

PLEASE TAKE FURTHER NOTICE that the Debtors, with the approval of the Committee and the DIP Lenders, have designated two Stalking Horse Bidders that have agreed to purchase discrete parcels of the Debtors’ Assets. The Debtors have agreed to provide such Stalking Horse Bidders with a breakup fee of three percent (3%) of the total transaction consideration offered by such Stalking Horse Bidders. A summary of the key terms of each Stalking Horse Bidder’s offer is provided in the table below:

¹ Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Sale Procedures Order.

Stalking Horse Bidder:	COG Operating LLC	Stanolind Oil and Gas LP
Assets Subject to Stalking Horse Offer:	“Unconventional” New Mexico Assets	Oklahoma Assets and all “Conventional” New Mexico Assets
Unadjusted Purchase Price for Subject Assets:	\$16,000,000	\$4,500,000
Breakup Fee Payable to Stalking Horse Bidder:	\$480,000	\$135,000
Minimum Opening Bid for Subject Assets at Auction:	\$16,680,000 (represents the sum of the \$16,000,000 purchase price, \$480,000 breakup fee, and \$200,000 initial minimum overbid)	\$4,735,000 (represents the sum of the \$4,500,000 purchase price, \$135,000 breakup fee, and \$100,000 initial minimum overbid)

PLEASE TAKE FURTHER NOTICE that the summary above is qualified in all respects by the terms of the applicable asset purchase agreements between the Debtors and the Stalking Horse Bidders. Copies of those agreements are available upon request, and may be obtained by contacting either: (i) the Debtors’ counsel listed below; or (ii) the Debtors financial advisor, Global Hunter Securities, LLC, attn: Michael Schmidt, 400 Poydras Street, Suite 3100 New Orleans, LA 70130 (mschmidt@ghsecurities.com).

PLEASE TAKE FURTHER NOTICE that the timeline for conducting the Debtors’ Asset sales will proceed as follows:

<u>Auction Date and Time:</u>	September 16, 2013 at 1:00 p.m. (central) Offices of Husch Blackwell, LLP, 111 Congress Avenue, Suite 1400, Austin, TX 78701
<u>Sale Hearing Date to Approve the Debtors’ Proposed Asset Sales (deadline unchanged):</u>	September 17, 2013 at 9:00 a.m. (central)

Dated: September 9, 2013

Respectfully submitted,

/s/ Brian Smith

Robert W. Jones

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Brent R. McIlwain

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Brian Smith

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HOLLAND & KNIGHT LLP

300 Crescent Court, Suite 1100

Dallas, TX 75201

Telephone: (214) 964-9500

Facsimile: (214) 964-9501

Counsel for the

Debtors and Debtors in Possession

CERTIFICATE OF SERVICE

I certify that as of September 10, 2013, a copy of the foregoing document was served by (i) the Electronic Case Filing System for the United States Bankruptcy Court for the Western District of Texas, and (ii) via facsimile, e-mail, or first class mail to those parties listed, and as indicated, on the attached proposed Master Service List.

/s/ Brian Smith
Brian Smith

In re: VPR Operating, LLC, et al.: Master Service List as of September 9, 2013

Debtors and their Counsel		
In re VPR Operating, LLC, et al. c/o William Patterson, CRO 1406 Camp Craft Road, Suite 106 Austin, TX 78746	Holland & Knight LLP c/o Robert W. Jones & Brent McIlwain 300 Crescent Court, Suite 1100 Dallas, TX 75201 Fax: (214) 964-9501 Email: brent.mcilwain@hklaw.com (via email)	
Prepetition Secured Lenders and Counsel		
Delfinco, LP 510 Feheley Drive King of Prussia, PA 19406	Cozen O'Connor c/o John T. Carroll, III 1201 N. Market Street, Suite 1001 Wilmington, DE 19801 Fax: (302) 295-2013 Email: jcarroll@cozen.com (via email)	
Victory Park Credit Opportunities, LP Attn: Scott R. Zemnick 227 W. Monroe Street, Suite 3900 Chicago, IL 60606	Hohmann, Taube & Summers, L.L.P. c/o Eric J. Taube 100 Congress Ave, 18 th Floor Austin, TX 78791 Fax: (512) 472-5248 Email: erict@hts-law.com (via email)	Hohmann, Taube & Summers, L.L.P. c/o Mark C. Taylor 100 Congress Ave, 18 th Floor Austin, TX 78791 Fax: (512) 472-5248 Email: markt@hts-law.com (via email)
DIP Lenders and Counsel		
Delfinco, LP 510 Feheley Drive King of Prussia, PA 19406	Cozen O'Connor c/o John T. Carroll, III 1201 N. Market Street, Suite 1001 Wilmington, DE 19801 Fax: (302) 295-2013 Email: jcarroll@cozen.com (via email)	
Victory Park Credit Opportunities, LP, et al. Attn: Scott R. Zemnick 227 W. Monroe Street, Suite 3900 Chicago, IL 60606	Hohmann, Taube & Summers, L.L.P. c/o Eric J. Taube 100 Congress Ave, 18 th Floor Austin, TX 78791 Fax: (512) 472-5248 Email: erict@hts-law.com (via email)	
Office of the United States Trustee		
United States Trustee 903 San Jacinto, Suite 230 Austin, TX 78701 Deborah.a.bynum@usdoj.gov (via email)		
Official Committee of Creditors		
Husch Blackwell L.L.P. c/o Stephen W. Lemmon 111 Congress Avenue, Suite 1400 Austin, TX 78701 Fax: (512) 479-1101 Email: stephen.lemmon@huschblackwell.com (via email)	Husch Blackwell L.L.P. c/o Kell C. Mercer 111 Congress Avenue, Suite 1400 Austin, TX 78701 Fax: (512) 479-1101 Email: kell.mercer@huschblackwell.com (via email)	

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Consolidated Twenty Largest Unsecured Creditors		
Pinpoint Drilling & Directional Services LLC c/o Robert J. Taylor 3700 Thanksgiving Tower 1601 Elm Street Dallas, TX 75201 Email: rtaylor@krcl.com (via email)	Universal Pressure Pumping Inc 4510 Lamesa Highway Snyder, TX 79549 Phone: 432-221-7027 (via first class mail)	PROPETRO SERVICES, INC. c/o Michael G. Kelly Kelly, Morgan, Dennis, Corzine & Hansen, P.C. P.O. Box 1311 Odessa, TX 79760 Email: mkelly@kmdfirm.com (via email)
Stemcor AG c/o Jay H. Dushkin 4615 Southwest Freeway, Suite 600 Houston, TX 77027 Email: jay@jaydushkin.com (via email)	Professional Directional Enterprises, Inc. c/o William R. Sudela 2727 Allen Parkway, Suite 1700 Houston, TX 77019 Fax: (713) 739-7007 Email: wsudela@cjmlaw.com Email: dlong@cjmlaw.com Email: eharris@cjmlaw.com Email: samarmon@cjmlaw.com (via email)	NW OIL SERVICES, LLC c/o Stephen H. Nickey 1201 N. Mesa, Suite B El Paso, TX 79902 Fax: (915) 351-6901 Email: snickey@nickeylaw.com (via email)
TESCO CORPORATION (US) 3993 W. SAM HOUSTON PKWY. N., SUITE 100 HOUSTON, TX 77043 Phone: 713-849-5900 Fax: 713-359-7001 (via first class mail)	TanMar Rentals LLC c/o Craig H. Cavalier P.O. Box 270565 Houston, TX 77277 Fax: (713) 621-4779 Email: ccavalier@cavalierlaw.com (via email)	Oil States Energy Services c/o Jason M. Rudd c/o Charles M. Rubio 909 Fannin, Suite 1500 Houston, TX 77010 Email: jrudd@diamondmccarthy.com Email: crubio@diamondmccarthy.com (via email)
PAR FIVE ENERGY SERVICES, LLC P.O. BOX 993ARTESIA, NM 88211 Phone: 575-748-1288 Fax: 575-748-9029 Email: jbrewer@kempsmith.com (via email)	Tiger of the North Transportation, LLC 1614 N Gulf Street Hobbs, NM 88240 Phone: 575-393-9917 Fax: 575-397-0048 (via first class mail)	The Artesia Lumber Co. P.O. Box 5564 Midland, TX 79704 Phone: 432-682-7422 Fax: 432-682-6233 (via first class mail)
Gandy Corporation c/o Louis Puccini, Jr. P.O. Box 50700 Albuquerque, NM 87181 Email: puccinilaw@puccinilaw.com (via email)	Oil Dog Pipe Rentals c/o Stephanie Kaiser Kelly Hart & Hallman LLP 201 Main St., Suite 2500 Fort Worth, TX 76102 Email: Stephanie.kaiser@kellyhart.com katherine.thomas@kellyhart.com (via email)	EMS USA, INC 2000 BERING DRIVE, SUITE 600 HOUSTON, TX 77057 Phone: 713-595-7600 Fax: 281-998-0303 (via first class mail)
PATTERSON SERVICES, INC. 8032 MAIN ST. HOUMA, LA 70360 Phone: 985-851-5541 Fax: 855-291-0926 (via first class mail)	Choice Oilfield Service P O Box 337 Lovington, NM 88260 Phone: 575-396-3428 Fax: 575-396-0155 Email: evelyn_jordan69@yahoo.com (via email)	DE LA SIERRA TRUCKING INC. 3116 ROSE ROAD HOBBS, NM 88242 Phone: 5057380972 Fax: 575-738-0973 (via first class mail)

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EUNICE WELL SERVICING, INC PO BOX 1500 HOBBS, NM 88241 Phone: 575-393-9898 Fax: 573-393-9889 (via first class mail)	ABC Rental Tool Co. DBA CAVALOZ ENERGY INC. P.O. Box 1500 Hobbs, NM 88241 Phone: 505-394-3155 Fax: 575-394-2407 (via first class mail)	
Governmental Agencies		
Internal Revenue Service Special Procedures Staff – Insolvency P.O. Box 7346 Philadelphia, PA 19101 (via first class mail)	United States Attorney 601 N.W. Loop 410, Suite 600 San Antonio, TX 78216 (via first class mail)	United States Attorney Dept of Justice 950 Pennsylvania Ave, N.W. Washington, DC 20530 (via first class mail)
Oklahoma Corporation Commission Jim Thorpe Building 2101 N. Lincoln Oklahoma City, OK 73105 Fax: 405-521-4150 (via first class mail)	New Mexico Oil Conservation Division 1220 S. St. Francis Drive Santa Fe, NM 87505 Fax: 505-476-3462 (via first class mail)	
Notices of Appearance & Other Parties Receiving Notice		
	Doré Law Group, P.C. c/o Carl Doré, Jr. 17171 Park Row, Suite 160 Houston, TX 77084 Fax: (281) 200-0751 Email: carl@dorelawgroup.net Email: lori@dorelawgroup.net (via email)	Kane Russell Coleman & Logan PC 3700 Thanksgiving Tower 1601 Elm Street Dallas, TX 75201 Email: rtaylor@krcl.com (via email)
Crady, Jewett & McCulley, LLP c/o William R. Sudela 2727 Allen Parkway, Suite 1700 Houston, TX 77019 Fax: (713) 739-7007 Email: wsudela@cjmlaw.com Email: dlong@cjmlaw.com Email: eharris@cjmlaw.com Email: samarmon@cjmlaw.com (via email)	Snow Spence Green LLP c/o Phil F. Snow c/o Holly Hamm 2929 Allen Parkway, Suite 4100 Houston, TX 77019 Fax: (713) 335-4848 Email: philsnow@snowspencelaw.com Email: hollyhamm@snowspencelaw.com (via email)	Kemp Smith LLP c/o James W. Brewer P.O. Drawer 2800 El Paso, TX 79999-2800 Fax: (915) 546-5360 Email: jbrewer@kempsmith.com (via email)
Baker Hughes Oilfield Operations, Inc. Attn: Christopher J. Ryan P.O. Box 4740 Houston, TX 77210 (via first class mail)	Smith International, Inc. Attn: James M. Sczudlo c/o Schlumberger Technology Corp. 1325 South Dairy Ashford Houston, TX 77077 (via first class mail)	Schlumberger Technology Corp. Attn: James M. Sczudlo 1325 South Dairy Ashford Houston, TX 77077 (via first class mail)

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Baker & Hostetler LLP c/o Lars H. Fuller 303 E. 17 th Ave, No 1100 Denver, CO 80203 Email: lfuller@bakerlaw.com (via email)	Thomas Energy Services LLC Attn: James M. Sczudlo c/o Schlumberger Technology Corp. 1325 South Dairy Ashford Houston, TX 77077 (via first class mail)	Travis County Tax Assessor c/o Kay D. Brock P.O. Box 1748 Austin, TX 78767 Fax: (512) 854-4808 Email: kay.brock@co.travis.tx.us (via email)
Sundance Services, Inc. c/o C. Ashley Ellis Wright Ginsberg Brusilow P.C. 14755 Preston Road, Suite 600 Dallas, TX 75254 Fax: (972) 239-0138 Email: bankruptcy@wgblawfirm.com (via email)	J&W Services and Equipment c/o Angelia B. Lee Craig Terrill Hale & Grantham LLP 9816 Slide Road, Suite 201 Lubbock, TX 79424 Fax: (806) 744-2211 Email: angelia@cthgblawfirm.com (via email)	Ulterra Drilling Technologies, L.P. c/o Mark W. Stout Padfield & Stout, LLP 777 Main Street, Suite 1920 Fort Worth, TX 76102 Fax: (817) 338-1610 Email: ms@livepad.com (via email)
Shanks Logging, LLC c/o Robin M. Green Richards, Elder & Green, L.L.P. P.O. Box 64657 Lubbock, TX 79464-4657 Tel: (806) 798-8868 Fax: (806) 798-8878 Email: rgreen@regllp.com Email: dgaray@regllp.colm (via email)	Onyx Contractors Operations, LP c/o Amber L. Jones Atkins, Hollman, Jones, Peacock, Lewis & Lyon 3800 E. 42 nd Street, Suite 500 Odessa, TX 79762 Email: ajames@odessalawfirm.com (via email)	Heidel Samberson, Newell, Cox & McMahon c/o Michael Newell PO Box 1599 Lovington, NM 88260 Email: hsncmtn@leaco.net (via email)
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Robert W. Bollar United Fuel & Energy 1800 W. Katella Ave, Suite 400 Orange, CA 92867 Email: bollarr@scfuels.com (via email)	Angela N. Offerman Kane Russell Coleman & Logan P.C. 919 Milam, Suite 2200 Houston, TX 77002 mridulfo@krcl.com aofferman@krcl.com (via email)	Oilfield Equipment Rental, LLC PO Box 905 Hobbs, NM 88241 Email: nfuller@oerllc.com (via email)
Michelle K. Ostrye Sutin, Thayer & Browne PO Box 1945 Albuquerque, NM 87103-1945 Email: mko@sutinfirm.com (via email)	Russell W. Mills Hiersche, Hayward, Drakeley & Urbach, P.C. 15303 Dallas Parkway, Suite 700 Addison, TX 75001 rmills@hhdulaw.com (via email)	